

December 23, 2009

Jennifer J. Johnson

Secretary

Board of Governors of the Federal Reserve System

20<sup>th</sup> Street and Constitution Avenue, NW

Washington, DC 20511

**RE: Proposed Changes to Closed-End Mortgage Rules (Docket No. R-1366)**

Dear Sir or Madam:

Thank you for the opportunity to comment on the proposed rule amending Regulation Z with respect to closed-end mortgages. I am a loan originator working in Nashville, TN. I have lived thru the subprime mortgage meltdown. I have been in the mortgage industry for nineteen years and agree that the last three years have been horrible in regard to the mortgage industry. I am, however, greatly concerned with the recent proposal regarding mortgage originator compensation.

My employer is a mid-size lending institution. My clients very often present unique and different opportunities to aid them with mortgage loans. Quite often these clients have circumstances that make originating and processing their loans extremely difficult. I have always been more than happy to take whatever time needed to assist these clients with their unique challenges. The level of attention this requires would not be the same as with large lenders who only look for the quick and easy loans that fit into nice clean guidelines. I know this for a fact because I have been with some of these large lenders in the past and I have seen how they operate. One of the large lenders about ten years ago hired me to increase their CRA production because they did not focus on the underserved segment of our population. They were only asking me to get them out of the Federal spotlight as far as compliance with CRA.

If the new rule prevents lenders from compensation their loan originators who do spend a lot of extra time with challenging loans then these home buyers will not be served to the high degree of respect and care that they deserve. This will cause originators to look for the easy to do loans and let the more difficult loans go by the wayside.

Because conventional prime loans do not create the same potential for abuse as did the subprime loans, the Board should exclude these prime loans from the new regulations. There is so much competition in the prime market now that the industry will regulate itself in not abusing the home buyer.

If the new regulation will include extensive background checks and testing of originators then any abuse should be stopped. The Board should allow the SAFE act time to work to regulate our industry and not put undue burden on the industry which will bring about a negative impact on the home buying public.

Again, I appreciate and thank you for the opportunity to respond to the proposed rule.

Respectfully submitted,

Eddie Cooke



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